



Forest Stewardship Council®



Role of Markets in the Valuation of Forests and Biodiversity

Rio de Janeiro, 22 September 2016

Kim Carstensen



How can national wealth in forests and biodiversity be an asset for markets and sustainable development?

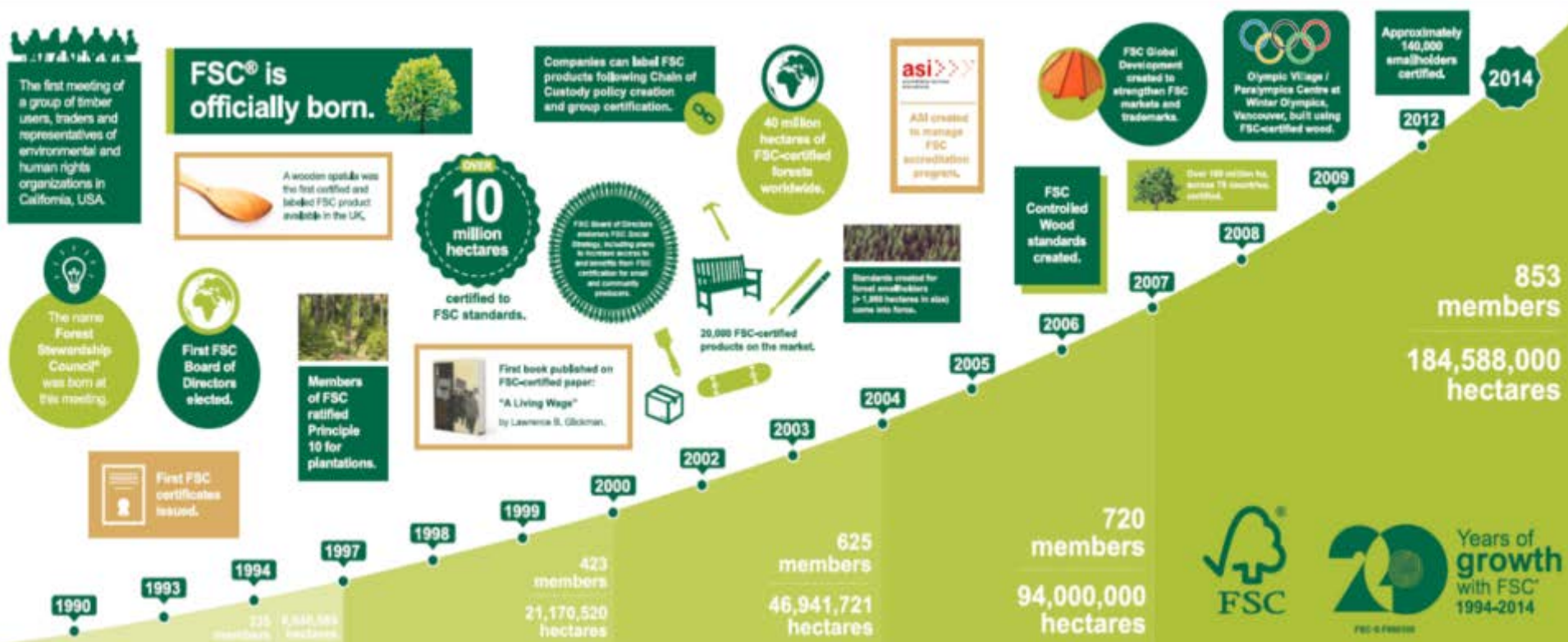
- **Brazil has it all:**
 - Globally unparalleled values in forests, biodiversity, water resources, carbon storage
- **Undisputed wealth – but how to mobilize it?**
- **Some prerequisites for ensuring sustained market benefits:**
 - Environmental sustainability
 - Social license to operate
 - Market access and economic profitability

SOME IDEAS FROM THE EXPERIENCES OF FSC

WHO WE ARE

FSC is **an independent, non-governmental, not-for-profit, membership** organization

FSC is an **internationally recognized global certification scheme** providing a **global market tool** to ensure responsible management of the world's forests.



191 MILLION HECTARES FSC CERTIFIED GLOBALLY

FSC certified forest area growth 2011-2016



 = 10 million ha

*January 2015

OVER 31,000 FSC CERTIFICATES GLOBALLY

Growth in FSC Chain of Custody certification 2011-2016 (number of certificates)



  = 3000 certificates

*January 2015



**FORESTS FOR ALL
FOREVER**

Prerequisites for a sustained market role:

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Environmental sustainability

- **Relevance for both Natural Forests and Plantations**
- **Sustainable production of:**
 - **Timber**
 - **Pulp**
 - **Non-timber forest products (nuts, rubber)**

H&M CONSCIOUS

READ MORE ON
HM.COM/CONSCIOUS

SHELL
*100% ORGANIC COTTON

LINING
*100% ORGANIC COTTON

SOLE
*100% FSC™ CERTIFIED NATURAL
RUBBER



Environmental sustainability

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- Sustainable management of land
 - Protection of high-conservation values
 - Restoration of degraded lands

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- Prerequisites: Legality, Predictability, Rights

Environmental chamber members of FSC International

Amazônia



GREENPEACE



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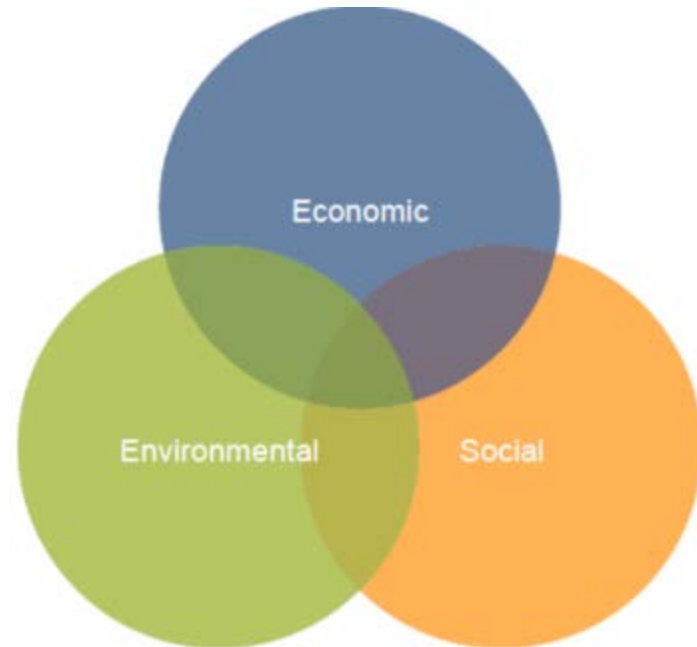
Social license to operate

- Workers' rights
- Rights of Indigenous Peoples and local communities



Governance Model

- Around 850 members
- Split in 3 chambers:
 - Economic
 - Social
 - Environmental
- Each chamber has 33.3% of the vote
- Each chamber split in North and South
- Decisions normally by consensus



Social chamber members of FSC International







100%
From well-managed forests
of small or community producers

FSC® C016343

Cooperativa COATLANZ, Honduras

BENEFITS OF FSC

FSC certification has positive impact

**Reduce social conflict in
and around certified forests**



**Improve workers
conditions in certified
forests**



**Help to secure land tenure and
use rights in certified forests**



Reference: Marion Karmann, FSC Impacts and Outcomes – Extracts from FSC literature review

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As of 2015 all of the material the LEGO Group uses for core line product packaging is FSC certified



Our aim is 100% Forest Stewardship Council™ (FSC™) certified paperboard. This percentage has risen from 38% in 2012.



IKEA's 2020 objective is to source all wood from forests certified as responsibly managed. FSC is the only organization today that provides a standard to help IKEA meet this goal

Economic chamber members of FSC International

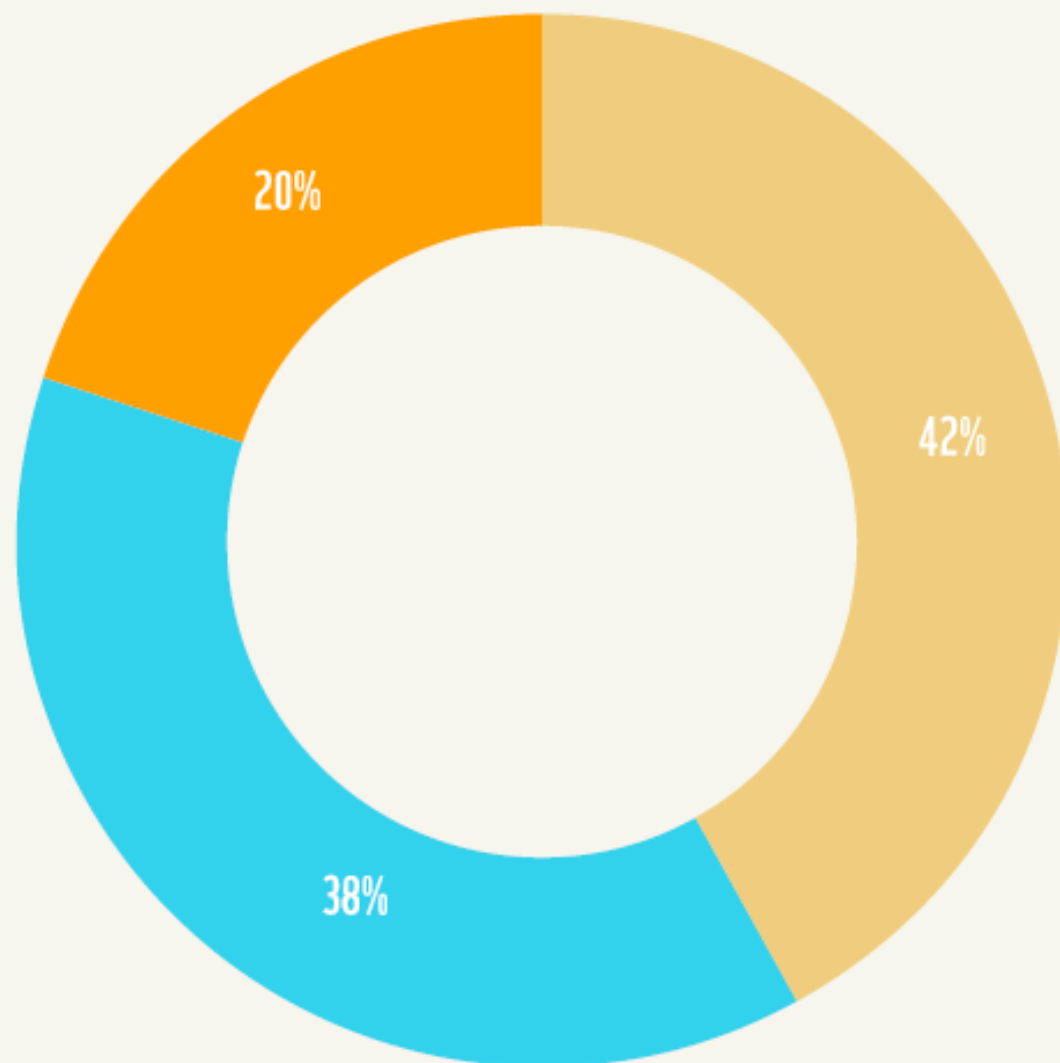


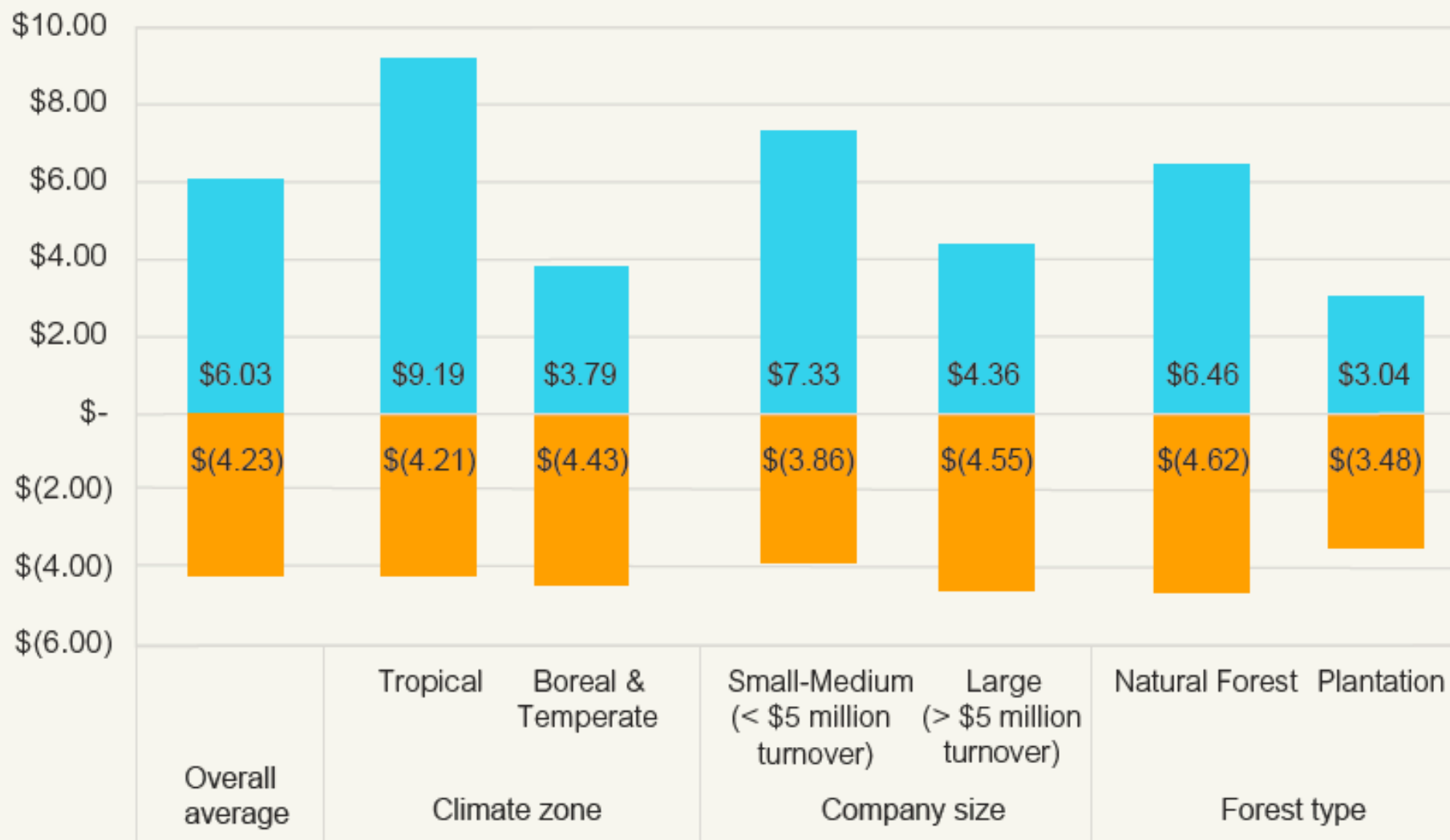
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***Total average financial
benefits of FSC
certification per m³
roundwood equivalent
certified production***

*Post-certification benefits
per m³*

-
- Price premiums
 - Improvements in operational efficiency
 - Other benefits





BENEFITS OF FSC

FSC certification has positive impact

Helped to provide greater
market access



Helped to **improve the image**
of the forest industry locally
and in associated markets



Contributes to **biodiversity conservation** through High
Conservation Values and set-
aside areas



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FSC is...



Environmentally appropriate

forest management ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity, and ecological processes.



Socially beneficial

forest management helps both local people and society at large to enjoy long term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.



Economically viable

forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resource, the ecosystem, or affected communities.

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